

Blackstone Alternative Multi-Strategy Fund (BXMIX)

As of September 30, 2018

Investment approach

Blackstone Alternative Multi-Strategy Fund's ("Fund") investment objective is to seek capital appreciation. The Fund seeks this objective by allocating its assets among a variety of non-traditional or "alternative" investment strategies. Blackstone allocates the Fund's assets among investment sub-advisers with experience managing alternative investment strategies and among Investment Funds and also manages a portion of the Fund's assets directly. In pursuing the Fund's investment objective, Blackstone focuses on the preservation of capital and seeks to maintain an investment portfolio with, on average, lower volatility relative to the broader equity markets.

Fund highlights

Fund assets ⁶	\$6,274.72 million
Inception date	June 16, 2014
Investment advisor	Blackstone Alternative Investment Advisors, LLC
Eligible investors	US taxable & tax-exempt
Liquidity	Daily
CUSIP	09257V201

Fund terms (Share Class I)⁷

Management Fee	1.88%
Gross Expense Ratio	2.86%
Net Expense Ratio	2.20%

Portfolio managers

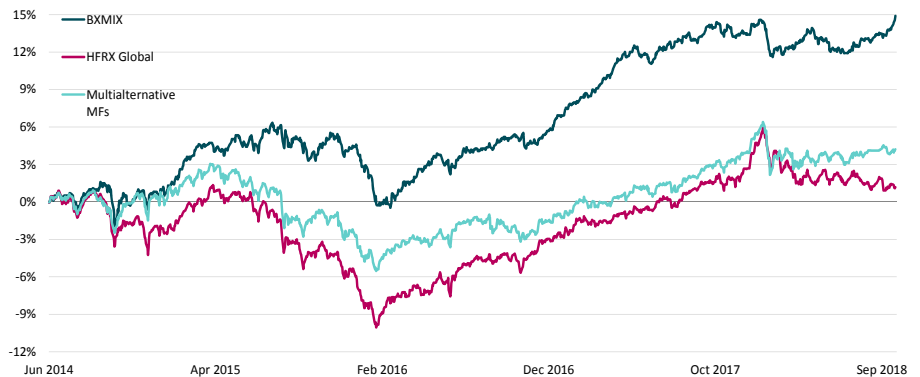
Name	Years at Blackstone
Gideon Berger	16.51 Years
Min Htoo	1.22 Year
Robert Jordan	7.24 Years
Ian Morris	8.51 Years
Alberto Santulin	15.51 Years
Stephen Sullens	17.43 Years

Fund net performance^{1,2,3}

	As of 09/30/2018				Inception to Date Statistics			
	Sep-18	YTD	1 Yr	ITD	St Dev.	Beta ⁽⁴⁾	Alpha ⁽⁵⁾	Sharpe
BXMIX	1.21%	1.12%	1.35%	3.25%	3.12%	-	-	0.84
MSCI World TR Index	0.60%	5.89%	11.84%	8.28%	10.86%	0.17	1.79%	0.70
Barclays Gbl Agg Index	(0.86%)	(2.37%)	(1.32%)	0.06%	4.89%	(0.10)	3.28%	(0.12)
HFRX Global Hedge Fund Index	(0.69%)	(1.23%)	0.25%	0.34%	3.50%	0.54	3.04%	(0.08)

1. Performance is presented through September 30, 2018. Net performance is net of the Gross Expense Ratio less waived expenses. Performance data quoted represents past performance and does not guarantee future results. All ITD statistics above are calculated using daily performance. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost and current performance may be lower or higher than the performance data quoted. Additional information and performance data current to the most recent month-end is available at www.bxmix.com.

Alternative strategies cumulative net performance^{1,2}



2. None of the indices presented are benchmarks or targets for the Fund. Indices are unmanaged and investors cannot invest in an index. Please see end of document for additional disclosures regarding indices presented.

3. Inception to Date (ITD) statistics are as of BXMIX's inception on June 16, 2014 through the most recent month end.

4. Measures beta of BXMIX to the respective index.

5. Measures alpha of BXMIX to the respective index.

6. As of September 30, 2018.

7. Gross expense ratio represents the expense ratio applicable to investors. Net expense ratio represents the Specified Expenses as of March 31, 2018. "Specified Expenses" is defined to include all expenses incurred in the business of the Fund with the exception of: (i) distribution or servicing fees, (ii) acquired fund fees and expenses, (iii) brokerage and trading costs, (iv) interest payments (including any interest expenses, commitment fees, or other expenses related to any line of credit of the Fund), (v) taxes, (vi) dividends and interest on short positions, and (vii) extraordinary expenses (in each case, as determined in the sole discretion of the Adviser). Please see the Fund's Prospectus at www.bxmix.com.

Sub-adviser allocations¹

MANAGER	STRATEGY	SUB-STRATEGY	CURRENT ALLOCATION
HealthCor	Equity Hedge	Equity Long Short	27%
Cerebellum ⁽¹⁾	Equity Hedge	Equity Market Neutral	
Endeavour	Equity Hedge	Equity Market Neutral	
Two Sigma Advisers	Equity Hedge	Equity Market Neutral	
Bayview	Relative Value	Fixed Income - Asset Backed	17%
Cerberus ⁽¹⁾	Relative Value	Fixed Income - Asset Backed	
Good Hill	Relative Value	Fixed Income - Asset Backed	
Sorin	Relative Value	Fixed Income - Asset Backed	
Waterfall ⁽¹⁾	Relative Value	Fixed Income - Asset Backed	
Caspian	Event Driven	Distressed/Restructuring	12%
Boussard & Gavaudan	Event Driven	Multi-Strategy	
Magnetar ⁽³⁾	Event Driven	Risk Arbitrage	
Nephila ⁽¹⁾	Event Driven	Reinsurance	
Emso	Macro	Discretionary Thematic	44%
H2O ⁽¹⁾	Macro	Discretionary Thematic	
NWI ⁽³⁾	Macro	Discretionary Thematic	
GSA	Macro	Systematic Diversified	
IPM	Macro	Systematic Diversified	
D.E. Shaw	Multi-Strategy	N/A	
BAIA-Direct ⁽²⁾	Multi-Strategy	N/A	

The list of sub-advisers and target allocations above is subject to change.

Please check the prospectus for the most up-to-date list of sub-advisers. Sub-strategy allocations exclude exposures to Fund level cash, hedging and expenses and are adjusted pro-rata to equal 100%. Subadviser allocations do not represent investment exposure. For details of investment exposure, including leverage, please see the Monthly Exposure Report and Commentary, which is available at www.bxmix.com.

1. Sub-adviser is not currently managing any Fund assets. Allocations may change at any time without notice.

2. BAIA manages a portion of the Fund's assets directly. Such investments include allocations to BAIA's systematic risk premia trading strategy and funds managed by Glenview Capital Management LLC, and may include other opportunistic trades in the future. BAIA's fees on directly managed assets are not reduced by a payment to a sub-adviser.

3. Blackstone and its affiliates have financial interests in asset managers. Any allocation by Blackstone to a subsidiary or other affiliate benefits The Blackstone Group L.P. and any redemption or reduction of such allocation would be detrimental to The Blackstone Group L.P., creating potential conflicts of interest in allocation decisions. For a discussion of this and other conflicts, please see the Additional Disclosure section at the end of this document.

Monthly net performance⁴

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2014	-	-	-	-	-	0.50%	(0.40%)	0.90%	0.30%	(0.59%)	0.30%	(0.19%)	0.80%
2015	0.70%	1.88%	0.97%	(0.39%)	1.26%	(1.15%)	1.93%	(1.04%)	(0.67%)	0.29%	0.48%	(0.71%)	3.55%
2016	(2.17%)	(2.22%)	1.45%	1.32%	0.90%	(0.50%)	1.10%	(0.00%)	0.89%	0.00%	(0.20%)	0.85%	1.35%
2017	1.67%	0.77%	0.96%	1.52%	1.12%	(1.01%)	0.93%	0.92%	(0.09%)	0.92%	(0.64%)	(0.05%)	7.20%
2018	0.28%	(1.30%)	0.38%	0.94%	(1.49%)	(0.09%)	0.94%	0.28%	1.21%				1.12%

4. Performance is presented through September 30, 2018. Net performance is net of the Gross Expense Ratio less waived expenses. Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost and current performance may be lower or higher than the performance data quoted. Additional information and performance data current to the most recent month-end is available at www.bxmix.com. BXMIX launched on June 16, 2014 and thus performance for June 2014 is limited to June 16 through June 30.

All investors should consider the investment objectives, risks, charges and expenses of BXMIX, Class I carefully before investing. The prospectus and the summary prospectus contain this and other information about BXMIX and are available on BXMIX's website at www.bxmix.com. All investors are urged to carefully read the prospectus and the summary prospectus in its entirety before investing.

Glossary of Terms

Beta: A measure of the volatility, or systemic risk, of a security or a portfolio in comparison to the market as a whole. **Volatility/Standard Deviation:** A measure of the dispersion of a set of data from its mean. The more spread apart the data, the higher the deviation. Standard deviation is calculated as the square root of variance. **Sharpe Ratio:** A ratio to measure risk-adjusted performance. The Sharpe ratio is calculated by subtracting the risk-free rate – such as that of the 90 day T-Bill – from the rate of return for a portfolio and dividing the result by the standard deviation of the portfolio returns. The greater a portfolio's Sharpe ratio, the better its risk-adjusted performance has been. **Alpha:** A risk-adjusted performance measure that represents the average return on a portfolio over and above that predicted by the capital asset pricing model (CAPM), given the portfolio's beta and the average market return.

Important Risks

An investment in BXMIX, Class I should be considered a speculative investment that entails substantial risks; you may lose part or all of your investment or your investment may not perform as well as other investments. BXMIX's investments involve special risks including, but not limited to, loss of all or a significant portion of the investment due to leveraging, short-selling, or other speculative practices, lack of liquidity and volatility of returns. The following is a summary description of certain additional principal risks of investing in BXMIX: **Allocation Risk** – Blackstone's judgment about the attractiveness, value or market trends affecting a particular asset class, investment style, sub-adviser or security may be incorrect and this may have a negative impact upon performance. **Derivatives Risk** – the use of derivatives involves the risk that their value may not move as expected relative to the value of the relevant underlying assets, rates, or indices. Derivatives can be subject to counterparty credit risk and may entail investment exposure greater than their notional amount. **Distressed Securities Risk**

- investments in securities of business enterprises involved in workouts, liquidations, reorganizations, bankruptcies and similar situations involve a high degree of risk of loss since there is typically substantial uncertainty concerning the outcome of such situations. **Event-Driven Trading Risk** – involves the risk that the specific event identified may not occur as anticipated and that this may have a negative impact upon the market price of the securities involved. **Foreign Investments/ Emerging Markets Risk** - involves special risks caused by foreign political, social and economic factors, including exposure to currency fluctuations, less liquidity, less developed and less efficient trading markets, political instability and less developed legal and auditing standards. **High Portfolio Turnover Risk** - active trading of securities can increase transaction costs (thus lowering performance) and taxable distributions. **Model and Technology Risk** – involves the risk that model-based strategies, data gathering systems, order execution and trade allocation systems and risk management systems may not be successful on an ongoing basis or could contain errors, omissions, imperfections or malfunctions. **Multi-Manager Risk** - managers may make investment decisions which conflict with each other and as a result, the Fund could incur transaction costs without accomplishing any net investment result. **Leverage Risk** – borrowing money or engaging in transactions that create investment leverage can produce volatility and may exaggerate changes in the net asset value of Fund shares.

The following information has not been provided in a fiduciary capacity under ERISA, and it is not intended to be, and should not be considered as, impartial investment advice. If you are an individual retirement investor, contact your financial advisor or other fiduciary unrelated to BAIA about whether any given investment idea, strategy, product or service described herein may be appropriate for your circumstances.

Prepared by Blackstone Advisory Partners L.P., a member of FINRA and an affiliate of Blackstone Alternative Investment Advisors LLC, the investment adviser of the Fund.

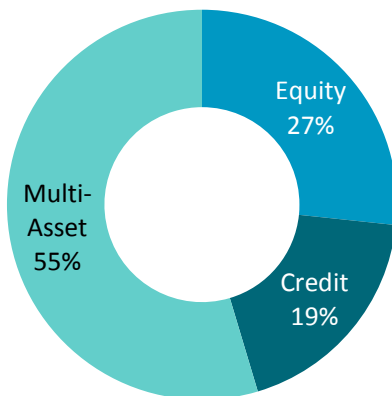
Blackstone Alternative Multi-Strategy Fund (BXMIX)

As of September 30, 2018

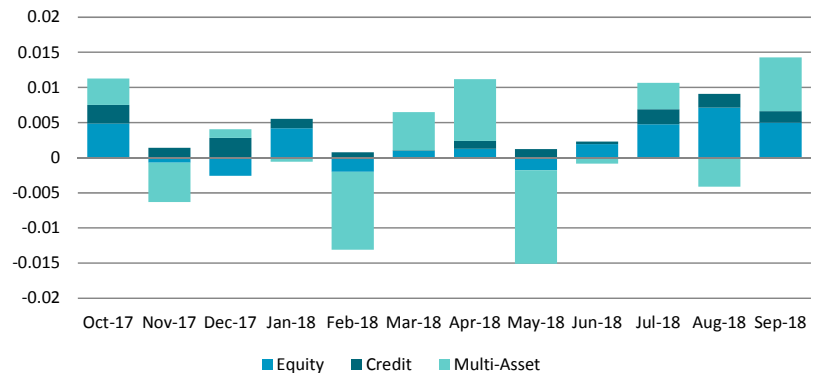
Performance summary^{1,2,3}

Sub-Strategy Performance	Allocation at 9/28/2018	MTD		QTD		YTD		Trailing 12 Months		ITD Cumulative Performance	
		Return	Attribution	Return	Attribution	Return	Attribution	Return	Attribution	Return	Attribution
Equity	26.67%	1.55%	0.50%	5.36%	1.70%	6.78%	2.12%	7.41%	2.28%	34.01%	11.33%
Credit	18.70%	0.72%	0.16%	2.60%	0.58%	4.89%	1.07%	8.15%	1.76%	30.33%	8.58%
Multi-Asset	54.62%	1.15%	0.76%	1.09%	0.73%	-0.80%	-0.46%	-0.88%	-0.52%	12.89%	4.93%
Cash & Other			-0.21%		-0.55%		-1.61%		-2.17%		-10.17%
Net Return			1.21%		2.46%		1.12%		1.35%		14.67%

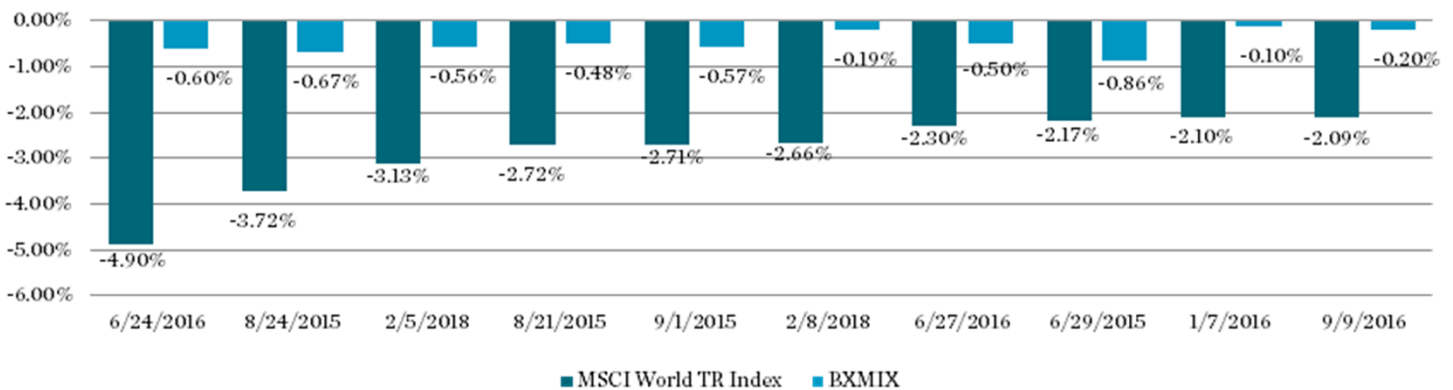
Sub-strategy summary³



Trailing 12 month sub-strategy attribution^{1,3}



BXMIX performance on worst 10 trading days for MSCI World since inception⁴



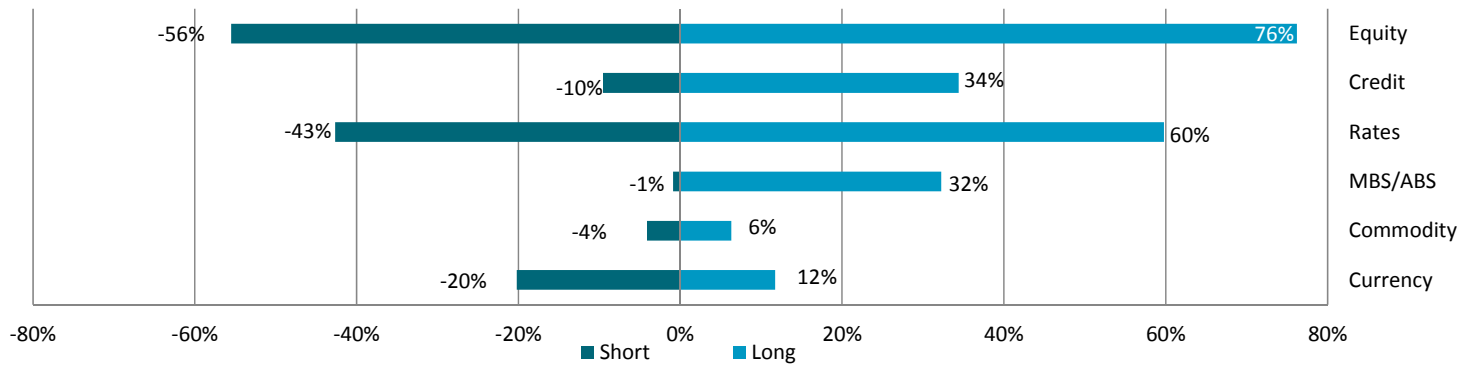
Because of the broadly diversified and low beta nature of the portfolio, BXMIX is not expected to participate in the full upside of broader equity markets. From 06/16/14 to 9/30/18, on the ten best MSCI World TR trading days, the average daily returns for the MSCI World TR and BXMIX were 2.12% and 0.41% respectively. The MSCI World TR is not a benchmark or target for the Fund. Please see important Disclosure Information at the end of this presentation.

Performance data quoted represents past performance and is no guarantee of future results. Investment returns and principal values may fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Strategy attribution is presented on a gross basis as Blackstone fees are applied at the Fund level and not at the strategy level. ITD net return is cumulative not annualized. Information about BXMIX, including current month-end performance, is available on BXMIX's website at www.bxmix.com or by calling 855-890-7725. Data is from June 16, 2014 to September 30, 2018.

- Sub-strategy performance is shown gross of all fees and expenses. Performance is estimated and unaudited.
- Equity is comprised of Equity Long/Short, Equity Market Neutral; Credit is comprised of Fixed Income – Asset Backed, Fixed Income – Corporate, Distressed/Restructuring; Multi-Asset is comprised of Discretionary Thematic, Systematic Diversified, Risk Arbitrage, Multi-Strategy
- Sub-strategy allocations exclude exposures to Fund level cash, hedging and expenses and are adjusted pro-rata to equal 100%.
- Indices are provided for illustrative purposes only. They have not been selected to represent appropriate benchmarks for the Fund, but rather are disclosed to allow for comparison of the Fund's performance to that of well-known and widely recognized indices. Indices are unmanaged and investors cannot invest in indices. Please see important Disclosure Information at the end of this presentation.

The definitions and disclosures appearing at the end of this document are an integral part of this presentation and should be read in their entirety for a complete understanding of the information contained herein.

Asset class exposure¹



Geographic exposure¹

	Long	Short	Net
US/Canada	129.05%	65.24%	63.81%
Core Europe	58.71%	47.04%	11.67%
Peripheral Europe	3.64%	0.54%	3.09%
Lat. Am./Caribbean	7.00%	1.09%	5.92%
Middle East/Africa	1.93%	1.76%	0.16%
Japan	4.36%	2.38%	1.98%
Asia general	12.71%	10.67%	2.04%
China/HK/Taiwan	3.25%	4.22%	-0.97%
Total	220.66%	132.95%	87.71%

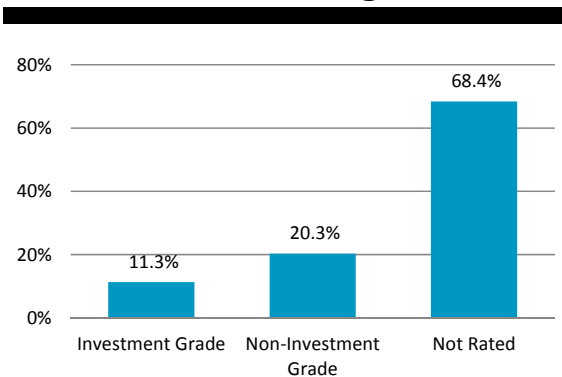
Currency exposure¹

Region	Long	Short	Net
Asia general	3.01%	0.19%	2.82%
China/HK/Taiwan	0.01%	0.19%	-0.19%
Core Europe	6.33%	17.02%	-10.69%
Japan	1.52%	1.08%	0.44%
Latin America	0.01%	0.36%	-0.36%
Middle East/Africa	0.00%	0.57%	-0.57%
Peripheral Europe	0.16%	0.08%	0.08%
US/Canada	0.69%	0.73%	-0.04%
Total	11.72%	20.22%	-8.51%

Equity exposure – sector breakdown¹

	Long	Short	Net
Energy	2.12%	3.08%	-0.96%
Materials	1.55%	1.54%	0.01%
Industrials	4.41%	1.97%	2.44%
Consumer Discretionary	5.51%	8.06%	-2.55%
Consumer Staples	2.75%	1.73%	1.01%
Health Care	12.35%	5.50%	6.85%
Financials	9.13%	6.22%	2.91%
Real Estate	0.85%	1.40%	-0.56%
Information Technology	8.05%	3.16%	4.89%
Communication Services	2.71%	2.50%	0.21%
Utilities	1.49%	0.41%	1.08%
Index**	22.37%	19.94%	2.43%
Unclassified***	2.94%	0.00%	2.94%
Total	76.21%	55.50%	20.71%

Fixed income ratings^{1,2}



1. In the case of non-interest rate instruments, exposure data represents the delta adjusted market value. In the case of interest rate products, exposure data is represented by the 10-year equivalent instrument. Positions of unknown type (if any) are excluded from exposure data. The Fund does not guarantee the accuracy of such data.

2. Positions of unknown type (if any) are excluded from exposure data. Data is obtained from StateStreet, the administrator for the Fund. The Fund does not guarantee the accuracy of such data. Using the higher Standard & Poor's ("S&P's") and/or Moody's Investor Service ("Moody's") ratings. Investment grade is a rating of a bond that has a relatively low risk of default. Investment grade are bonds rated above BBB- for S&P and Baa3 for Moody's. Non-investment grade is below Investment grade to D.

**Comprised of index futures, options on index futures, ETFs, and ETF options

***Do not have a GICS sector assigned

September Market Commentary

As widely expected, the U.S. Federal Reserve (“Fed”) raised short-term interest rates by a quarter of a percentage point on September 26th, and confirmed that it planned to do so once again in December and three more times in 2019¹. This is consistent with the narrative that the U.S. economy is continuing to exhibit strong growth, and other statistics released in September further corroborate this story. In addition to an updated estimate that reiterates accelerating GDP growth, we’ve seen metrics that show unemployment remains low across the country², personal incomes continue to grow³, and consumer optimism is not far from the all-time high recorded in 2000⁴.

One interesting outcome from the Fed meeting was the removal of its language around “accommodative” monetary policy going forward. After the fall-out of the Great Financial Crisis, the Fed lowered the cost of borrowing to close to zero percent. Low borrowing rates stimulate the economy by allowing cheap financing for consumers to make large purchases (e.g. homes and autos) and for businesses to expand (e.g. building additional factories and buying additional equipment). By “accommodating” consumer and business desires to cheaply spend and build, and thereby enabling economic growth, the Fed employs a monetary policy of the same name. On the other hand, when the U.S. economy grows quickly, the Fed combats the risk of higher than desired inflation by raising the cost of borrowing to slow growth. By removing the “accommodative” language, the Fed may be signaling that the U.S. economy is finally strong enough to continue growth without the support of ultra-low borrowing costs. In conjunction with the positive fundamentals we are seeing across the economy, we believe these actions suggest that the post-crisis era of cheap federal funds is coming to an end and that a Fed induced slowdown may be on the horizon.

One of the things we are monitoring as rates continue to climb is their effect on the fixed income and equity markets. Spurred by the low risk-free yields that have remained close to 0% since the recession, investors had reduced exposure to the bond markets in search of yield elsewhere, such as high dividend producing equities in sectors like utilities. Increasing demand for dividend-yielding equities as an alternative to fixed income products has increased their price, while lower-yielding new bond issues have increased the price of older-vintage higher-yielding bonds. As rates continue to rise, we expect the inverse of those trends to emerge – fixed income markets may face price pressure due to higher-yielding bonds entering the market, while dividend-yielding equities may face price pressure as the rates of newly issued bonds approach and surpass those of dividend-yielding equities. In the fixed income space, we are already seeing this play out, as the Barclays Global Aggregate Bond Index has posted a -1.32% return over the last twelve months, with a -1.01 Sharpe ratio, indicating performance under the risk-free rate.

Taking all of this into account, we emphasize our stance that investors may be best served by employing actively managed portfolios that retain the flexibility to identify and capitalize on these economic trends. Such strategies may provide attractive diversification by tactically increasing exposures to attractive opportunities, while maintaining limited correlation to broader equity and fixed income markets.

Review of September Fund Performance

¹ Source: U.S. Federal Reserve

² Source: U.S. Bureau of Labor Statistics

³ Source: U.S. Bureau of Economic Analysis

⁴ Source: Conference Board Consumer Confidence Index

The investment objective of the Blackstone Alternative Multi-Strategy Fund (the “Fund”) is to seek capital appreciation. The Fund aims to achieve its objective by allocating assets among a variety of investment sub-advisers, each with experience managing non-traditional or “alternative” investment strategies and by managing assets directly (via BAIA⁵). In September, the Fund’s Class I share class returned 1.21%⁶ net of fees and expenses versus 0.57% and 0.60% for the S&P 500 and MSCI World indices, respectively and versus -0.86% for the Barclays Global Aggregate Bond Index⁷.

Equity Strategies

Equity strategies (+1.55%)⁸ contributed positive performance for September. Equity Market Neutral strategies drove a substantial portion of performance, primarily in the last week of the month. In our large cap, value-focused exposures in the health care sector, we continue to see similar themes as in prior months, whereby performance has been driven by the relative improvement in value-biased stocks compared to those that are growth-oriented.

The fund’s exposure to financials was similarly accretive, with positive performance driven by select short exposures and through hedges against the sector. These gains were partially offset by interest rate dynamics during the month. As the base rate rose and deposit beta similarly increased, funding across the sector became more expensive. Adding to the headwinds was the fact that 3-month LIBOR remained relatively flat. Since a significant proportion of loans are priced off of LIBOR, asset yields did not increase in line with deposit costs, and the resulting net interest margin pressure had an adverse impact on bank performance.

Credit Strategies

Credit strategies (+0.72%)⁸ also contributed positive performance for the month. Credit risk transfer bonds (CRTs) continued to perform well, with general spread tightening producing mark-to-market gains across both new issues and seasoned deals. As mentioned in previous commentaries, as these securities continue to season they become more attractive to the market, causing the spreads to tighten as prices appreciate. Additionally, an index that tracks broader commercial mortgage-backed securities (CMBS) tightened substantially, as real money demand is catching up to a relatively low supply. However, interest rate hedges cost the portfolio some performance gains.

Multi-Asset Strategies

Multi-Asset strategies (+1.15%)⁸ were the largest contributor to fund performance this month. Multi-Strategy exposures drove gains, with credit exposures across emerging market (“EM”) rates and Americas HY fixed income adding to performance. Exposure to Japanese equities and inflation strategies also generated gains.

⁵ BAIA manages a portion of the Fund’s assets directly. Such investments presently include allocations to BAIA’s systematic risk premia trading strategy and funds managed by Glenview Capital Management LLC, and may include other opportunistic trades in the future. BAIA’s fees on directly managed assets are not reduced by a payment to a sub-adviser.

⁶ Performance is shown net of the Gross Expense Ratio less waived expenses for Class I shares. Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor’s shares, when redeemed, may be worth more or less than their original cost and current performance may be lower or higher than the performance data above. Information is estimated and unaudited. For a summary of Fund performance of other share classes, please refer to the Fund’s website: www.bxmix.com.

⁷ **Indices are provided for illustrative purposes only. They have not been selected to represent appropriate benchmarks for the Fund, but rather are disclosed to allow for comparison of the Fund’s performance to that of well-known and widely recognized indices.** The indices may include holdings that are substantially different than investments held by the Fund and do not reflect the strategy of the Fund. Comparisons to indices have limitations because indices have risk profiles, volatility, asset composition and other material characteristics that may differ from the Fund. The indices do not reflect the deduction of fees or expenses. In the case of equity indices, performance of the indices reflects the reinvestment of dividends. Indices are unmanaged and investors cannot invest in indices.

⁸ Sub-strategy performance is shown gross of all fees and expenses. Performance is estimated and unaudited.

With the latter, oil curve trading generated profits, while US Tips positions detracted. Strength in broader Multi-Strategy exposures was partially offset by losses in U.S. and European fixed income exposures.

Additionally, Discretionary Thematic sub-strategies contributed to positive performance thanks to a general rally in EM assets on the back of a difficult August. Good news in country-specific stories relieved some of the pressure from the asset class. Argentina signed a larger, more comprehensive deal with the IMF that has secured their funding needs through 2019 and takes roll-over risk off the table. NAFTA 2.0 was announced, easing tensions and providing a seemingly workable solution for all parties. The Turkish Central Bank hiked rates after acquiescing to the market pressure on the currency. Each of these headlines acted as a resolution to much uncertainty that has swirled over EM over the past few months, allowing assets to rally.

Review of Fund Performance – Third Quarter 2018

During the third quarter of 2018, the Fund's Class I share class returned 2.46%⁹ net of fees and expenses versus 7.71% for the S&P 500 Index, 5.10% for the MSCI World Index, and -0.92% for the Barclays Global Aggregate Bond Index.

Equity strategies (+5.36%)⁸ were the largest positive contributor to third quarter performance. Despite having a near-zero beta to rallying stock markets, Equity Market Neutral sub-strategies drove significant gains. The fund's exposures to healthcare-focused strategies also contributed moderate gains, primarily due to a rebound in value-biased stocks after a stretch of time where growth and momentum stocks produced the majority of gains. The fund's exposures to financials were also ultimately accretive, though performance was challenged – single-name short positions in multiple sub-sectors contributed to gains, but long exposure in a different sub-sector and short exposure in another both dragged performance.

Credit strategies (+2.60%)⁸ were a positive contributor to third quarter performance. Fixed Income – Asset Backed sub-strategies led gains as CRT spreads continued to tighten throughout the quarter in both new issues and seasoned varieties, while exposures to an index that tracks the CMBS market contributed mixed performance that ultimately ended in a gain. However, volatility and short positions intended as hedges dragged on performance. Given the broader bond market underperformance this quarter (the Barclays Global Aggregate Bond Index returned -0.92%), we maintain the importance of diversified credit portfolios with differentiated, low duration exposures.

Multi-Asset strategies (+1.09%)⁸ were also a positive contributor to third quarter performance. Multi-Strategy and Systematic Diversified sub-strategies contributed gains, thanks to select exposures to equity and credit. After much activity in emerging markets over the past few months, including oscillating levels of certainty on matters in Argentina, Greece, and Turkey, the Fund's Discretionary Thematic sub-strategies ended the quarter in positive territory. These gains were partially offset by equity hedges, which came under pressure amidst the broader stock market rally. Given our view of current equity valuations and the Fund's intended role within portfolios as a diversifying strategy, we maintain our hedged equity profile despite recent weakness.

Sub-Advisers and Strategies Added/Removed

⁹ Performance is shown net of all fees and expenses for the Fund's Class I share class. Past performance may not be a reliable guide to future performance. The value of shares may go down as well as up and there can be no assurance that the Fund will achieve its investment objectives or avoid significant losses. Performance is estimated and unaudited.

At Blackstone, we believe that managing the optimal mix of strategies across the portfolio and adjusting it over time are key to generating returns in different market environments. Over the course of the third quarter of 2018, we terminated one of our existing non-discretionary sub-advisers.

Q3 2018 Sub-Adviser Terminations:

1. Gracian Capital LLC

Sub-adviser and strategy additions and terminations are normal events in Blackstone's hedge fund investment process and result from our dynamic evaluation of the top down assessment of the opportunity set for hedge fund strategies as well as the bottom up evaluation of a manager's ability to deliver alpha in a given environment.

Portfolio Manager Change

We also want to make you aware of a change in our Portfolio Manager line-up – effective as of September 21, 2018, David Mehenny no longer serves as Portfolio Manager to the Fund. David decided to pursue an exciting opportunity in another business unit at Blackstone and we wish him the best in his new role. The Fund's six other portfolio managers remain.

Opinions expressed reflect the current opinions of BAIA as of the date of this material only. Past performance may not be a reliable guide to future performance. The value of BXMIX shares may go down as well as up and there can be no assurance that the Fund will achieve its investment objectives or avoid significant losses. The Fund may shift allocations among sub-advisers, strategies and sub-strategies at any time. Certain of the information provided herein has been obtained from or derived from the Fund's sub-advisers. BAIA does not guarantee the accuracy or completeness of such information.

Important Disclosure information

All investors should consider the investment objectives, risks, charges and expenses of BXMIX carefully before investing. The prospectus and, if available, the summary prospectus contain this and other information about BXMIX and are available on BXMIX's website at www.bxmixon.com. All investors are urged to carefully read the prospectus and, if available, the summary prospectus in its entirety before investing. Additional information regarding BXMIX is available upon request.

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Important Disclosures Regarding Exposure

Exposure data presented herein does not consider the impact of delta on option positions (unless noted otherwise). Instead, exposures represent the market value of each underlying instrument. Positions of unknown type (if any) are excluded from exposure data.

There is no attempt in this report to differentiate between or adjust for shorter versus longer duration rates trades. Instead, they are shown only by market value of exposure. Given that exposure data is based on fund holdings, it excludes unsettled trades. Position level data is obtained from State Street Bank and Trust Company, the administrator for BXMIX. Blackstone does not guarantee the accuracy of such data.

Glossary of Terms:

Gross Exposure: Reflects the aggregate of long and short investment positions in relation to the net asset value. For example, if BXMIX has 60% long exposure and 50% short exposure to a particular asset class, then BXMIX has 110% gross exposure to that asset class. The gross exposure is one indication of the level of leverage in a portfolio. **Net Exposure:** This is the difference between long and short investment positions in relation to the net asset value. For example, if BXMIX has 60% long exposure and 50% short exposure to a particular asset class, then BXMIX is 10% net exposure to that asset class. **Long:** A long position occurs when an individual owns securities. **Short:** Short selling a security not actually owned at the time of sale. Short positions can also generate returns when the price of a security declines. **DV01:** A bond valuation calculation showing the dollar value of a one basis point change in interest rates or yield. **Alpha:** A risk-adjusted performance measure that represents the average return on a portfolio over and above that predicted by the capital asset pricing model (CAPM), given the portfolio's beta and the average market return.

Glossary of Indices

Market indices obtained through Bloomberg. **Barclays Global Bond Index:** provides a broad-based measure of the global investment grade fixed-rate debt markets. It is comprised of the U.S. Aggregate, Pan-European Aggregate, and the Asian-Pacific Aggregate Indexes. **HFRX Global Hedge Fund Index:** HFRX Global Hedge Fund Index is designed to be representative of the overall composition of the hedge fund universe. It is comprised of all eligible hedge fund strategies; including but not limited to convertible arbitrage, distressed securities, equity hedge, equity market neutral, event driven, macro, merger arbitrage, and relative value arbitrage. The strategies are asset weighted based on the distribution of assets in the hedge fund industry. The methodology is based on defined and predetermined rules and objective criteria to select and rebalance components to maximize representation of the Hedge Fund Universe. **MSCI World Index:** a market capitalization weighted index designed to provide a broad measure of equity-market performance throughout the world. The MSCI World is maintained by Morgan Stanley Capital International, and is comprised of stocks from 23 developed markets in the world. **Morningstar Multialternative Category Average:** Represents the average performance of mutual funds categorized as "multialternative" funds by Morningstar, Inc. These funds use a combination of alternative strategies such as taking long and short positions in equity and debt, trading futures, or using convertible arbitrage, among others. Funds in this category have a majority of their assets exposed to alternative strategies and include both funds with static allocations to alternative strategies and funds tactically allocating among alternative strategies and asset classes. **The Standard & Poor's 500 Index** - S&P 500 is a market-capitalization-weighted index of the 500 largest U.S. publicly traded companies by market value.

Indices are unmanaged and investors cannot invest in an index. Indices are provided for illustrative purposes only. They have not been selected to represent appropriate benchmarks for BXMIX, but rather are disclosed to allow for comparison of BXMIX's performance to that of well-known and widely recognized indices. The indices may include holdings that are substantially different than investments held by BXMIX and do not reflect the strategy of the Fund. Comparisons to indices have limitations because indices have risk profiles, volatility, asset composition and other material characteristics that may differ from BXMIX. The indices do not reflect the deduction of fees or expenses. In the case of equity indices, performance of the indices reflects the reinvestment of dividends.

Additional Disclosures

Morningstar Disclosure

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The Morningstar Rating™ for funds, or “star rating”, is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product’s monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods.

Blackstone Alternative Multi-Strategy Fund was rated against the following number of Multi-Alternative funds over the following time periods: 298 funds in the last three years. Past performance is no guarantee of future results. Morningstar Rating is for the I share class only; other classes may have different performance characteristics. Morningstar Risk-Adjusted rankings – Multialternative category – I share class three-year 4 stars out of 298 funds as of 2/28/2018.

Conflicts of Interest

Blackstone and the Sub-Advisers have conflicts of interest that could interfere with their management of the Fund. These conflicts, which are disclosed in the Fund’s Statement of Additional Information, include, without limitation:

- **Selection of Sub-Advisers.** Blackstone compensates the Sub-Advisers out of the management fee it receives from the Fund. This could create an incentive for Blackstone to select Sub-Advisers with lower fee rates.
- **Financial Interests in Sub-Advisers and Service Providers.** Blackstone, the Sub-Advisers, and their affiliates have financial interests in asset managers and financial service providers. Allocating to an affiliate (or hiring such entity as a service provider) benefits The Blackstone Group L.P. or the relevant Sub-Adviser and redemptions from an affiliate (or terminating such entity as a service provider) would be detrimental to The Blackstone Group L.P. or the relevant Sub-Adviser. For example:
 - Blackstone Strategic Capital Advisors L.L.C. (“BSCA”), an affiliate of BAIA, manages certain funds (the “BSCA Funds”) that acquire equity interests in established alternative asset managers (the “Strategic Capital Managers”). One of the Strategic Capital Managers in which the BSCA Funds have a minority interest is Magnetar Capital Partners L.P., a control affiliate of Magnetar Asset Management LLC, a sub-adviser for the Fund. The Fund will not participate in any of the economic arrangements between the BSCA Funds and any Strategic Capital Manager with which the Fund invests.
 - BAAM, an affiliate of BAIA, has entered into a joint venture with NWI to create Blackstone NWI Asset Management L.L.C. (“BNAM”), an emerging markets asset manager. BNAM, BAAM and NWI share certain personnel and infrastructure.
 - Blackstone is in the process of onboarding Arcesium LLC (“Arcesium”) to provide certain middle- and back-office services and technology to the Fund. The parent company of a Sub-Adviser owns a controlling, majority interest in Arcesium and BAAM owns a non-controlling, minority interest in Arcesium.
- **Other Activities of Blackstone or the Sub-Advisers.** The activities in which Blackstone, the Sub-Advisers, or their affiliates are involved in on behalf of other accounts may create conflicts of interest or limit the flexibility that the Fund may otherwise have to participate in certain investments. For example, if Blackstone or a Sub-Adviser comes into possession of material non-public information with respect to a company, then Blackstone or the relevant Sub-Adviser generally will be restricted from investing in securities issued by that company. Further, Blackstone generally will be restricted from investing in portfolio companies of its affiliated private equity business.
- **Allocation of Investment Opportunities.** Blackstone and the Sub-Advisers (or their affiliates) manage other accounts and have other clients with investment objectives and strategies that are similar to, or overlap with, the investment objective and strategy of the fund, creating potential conflicts of interest in investment and allocation decisions. These conflicts of interest are exacerbated to the extent that the other clients are proprietary or pay higher fees or performance-based fees.